The European Forest Owner Scene Setter

TFD Forest Owner Dialogue on tools for small landowners

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CEPF Cooperatives Working Group
International Family Forestry Alliance

Background

- Family forestry and community forest
  - Responsible for the majority of the worlds forest and significant fibre resources
  - Heterogeneous sector beyond the reach of conventional mechanisms to promote and recognise sustainable forest management
  - Problems of land tenure, lack of skills, resources and infrastructure are limiting factors of particular relevance to the global industry and society
  - Harvest industrial resources?

Objectives

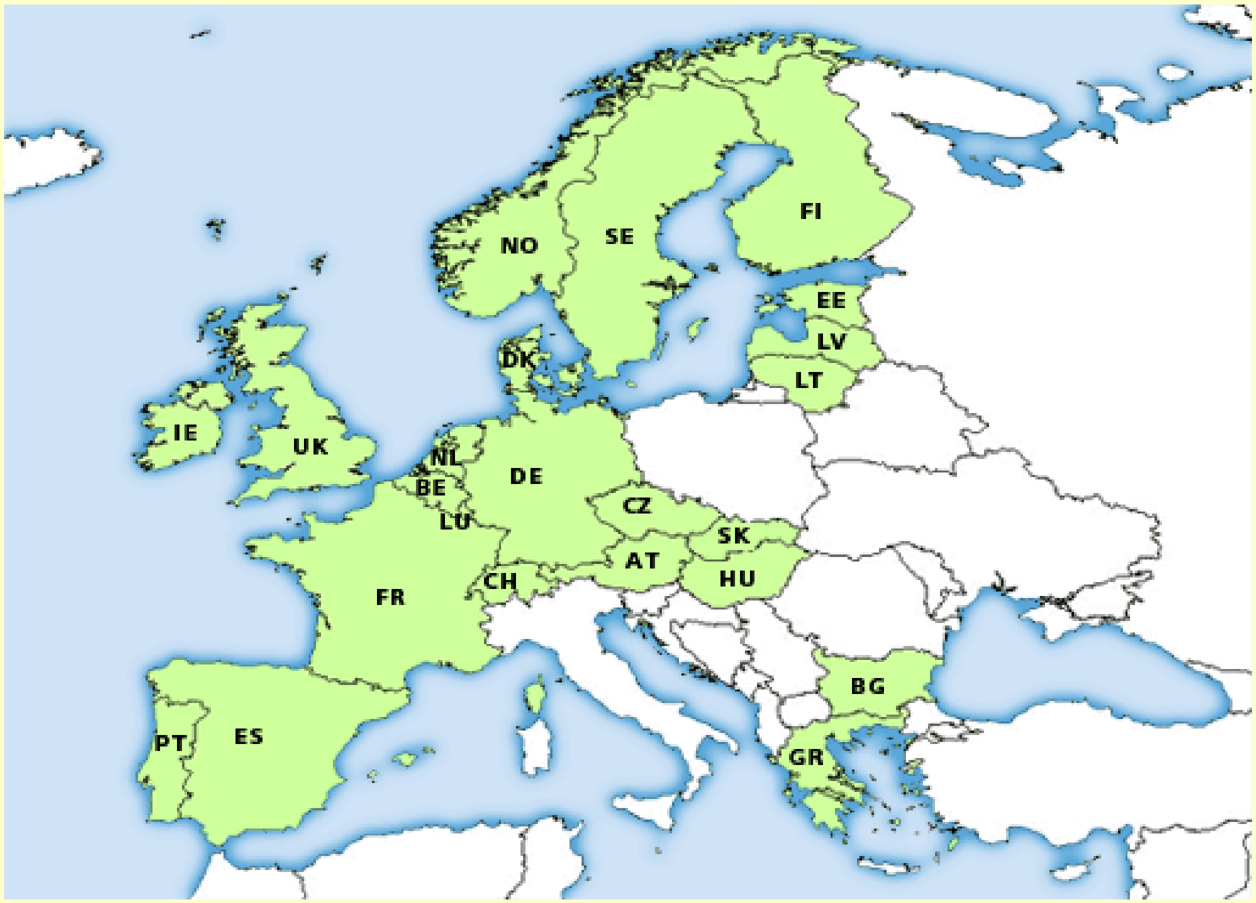
- To share and discuss strategies and tools
  - To enhance small family forest owners practice and recognition of sustainable forest management
  - And equal access to markets
- Identify key barriers
  - To successful implementation of sustainable forest management by small holders
- Review initiatives and tools
  - Drive improvement
  - Explore means of recognition by public and markets

Outcomes

- Recognition
  - of constraints and opportunities
- Greater understanding
  - of tools and initiatives available
- Development, acceptance and promotion
  - of promising tools and initiatives

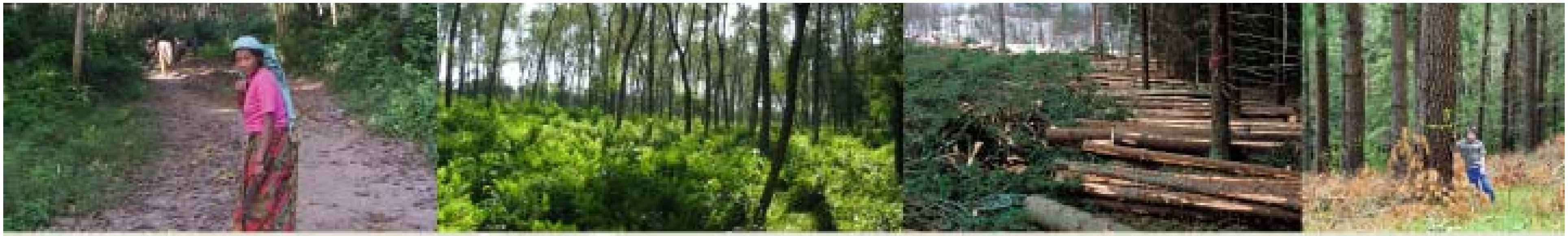
- ***Forest owners must be actively engaged in tools and initiatives and not "subject" to them***

CEPF – in 24 countries



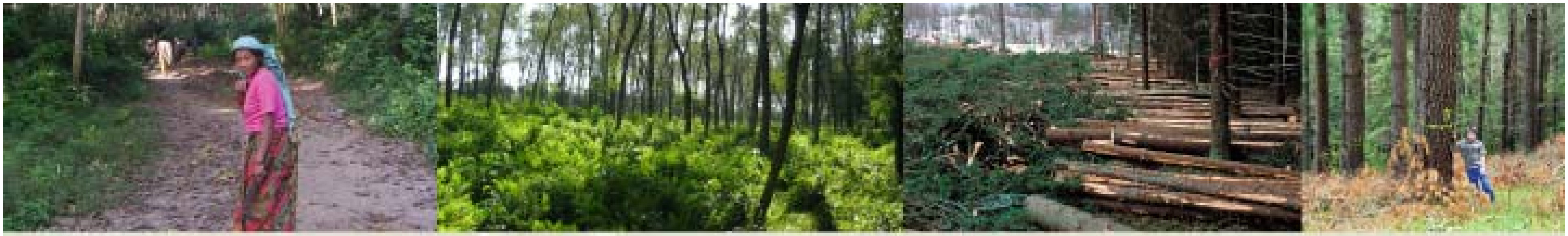
Mission

Assist and strengthen national forest owners´ organisations in Europe to maintain and enhance an economical viable, social beneficial, cultural valuable and ecological responsible sustainable forest management



The International Family Forestry Alliance (IFFA) is the global voice of family forestry, representing more than 25 million forest owners worldwide. National forest owners' organisations are united under the IFFA banner to promote sustainable forestry and to raise awareness about family forestry.

www.familyforestry.net



Sustainable forest management

Family forestry and small forest owners are not the problem – they are vital parts of the solution

IFFA International Family Forestry Alliance
www.familyforestry.net

Global Alliance of Community Forestry

Sustainable Forest Management, Local development and Poverty reduction

GACF/IFFA side event

23rd April 2007, UNFF7

GACF Background

Second Encounter of the Global Alliance of Community Forestry, Nov. 2006 Nepal.

Definition of

- Vision
- Mission
- Principles
- Values
- Strategies
- Membership Criteria
- Structure
- Immediate actions.

GACF Background

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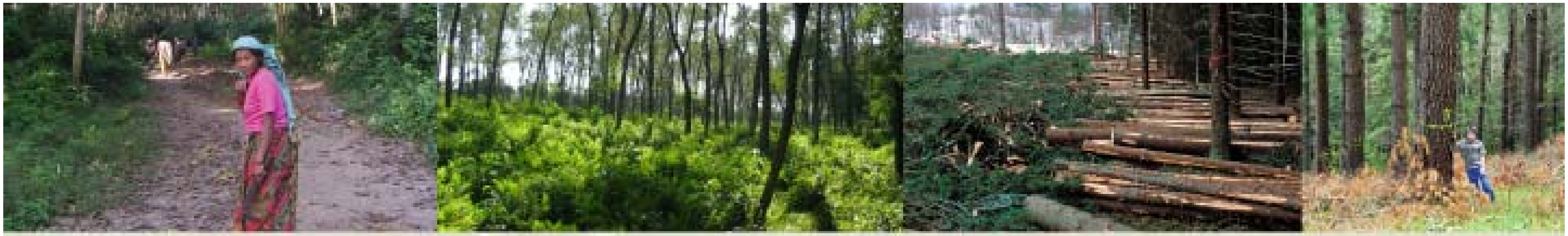

Family forestry- facts and figures

- 25 % of the world's population depends on forests
- Family forestry plays a significant role

  - but public ownership dominates
- No reliable global statistics of the number of family forest owners:

  25 million in Europe and North America

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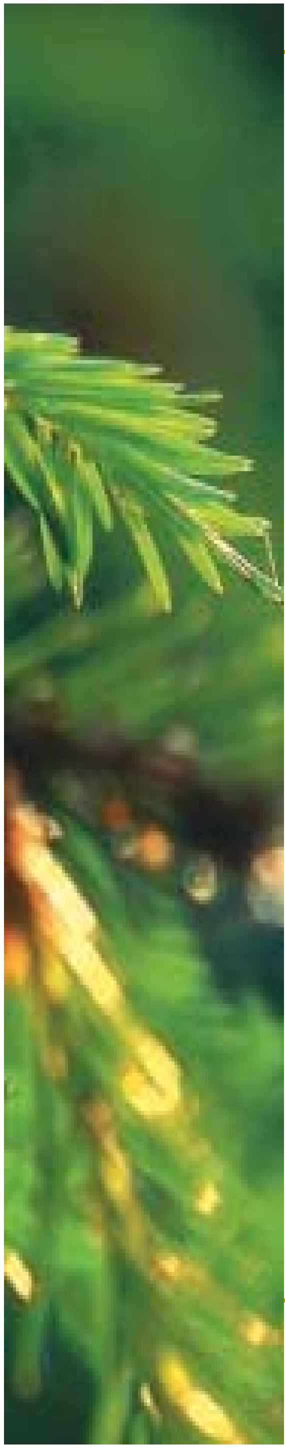
GACF in numbers

- ✓ Around 9 millions hectares of community forests.
- ✓ More than 9 millions persons approximately depending directly on products and community forest incomes.
- ✓ Important economical, ecological and social potential to reduce rural poverty

Characteristics of family forestry in Europe

- Over 60% of EU 15 forests are owned and managed by families – generation bridging management and experience
- 36% estimated share of private forestry in CEEC
- 16 million family forest owners (EU 25)
- Small scale forest holdings (average size: EU15=5 ha; CEEC= 2 ha)
- Multifunctional forest management balancing economic, social, ecological and cultural requirements respecting the diversity across Europe
- Local ownership, contributing to economic and social sustainability of communities



Family forestry in Europe

Average holding, ha

Sweden	50
Norway	40
Finland	30
Germany	8
Spain	4
France	3

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Norwegian example

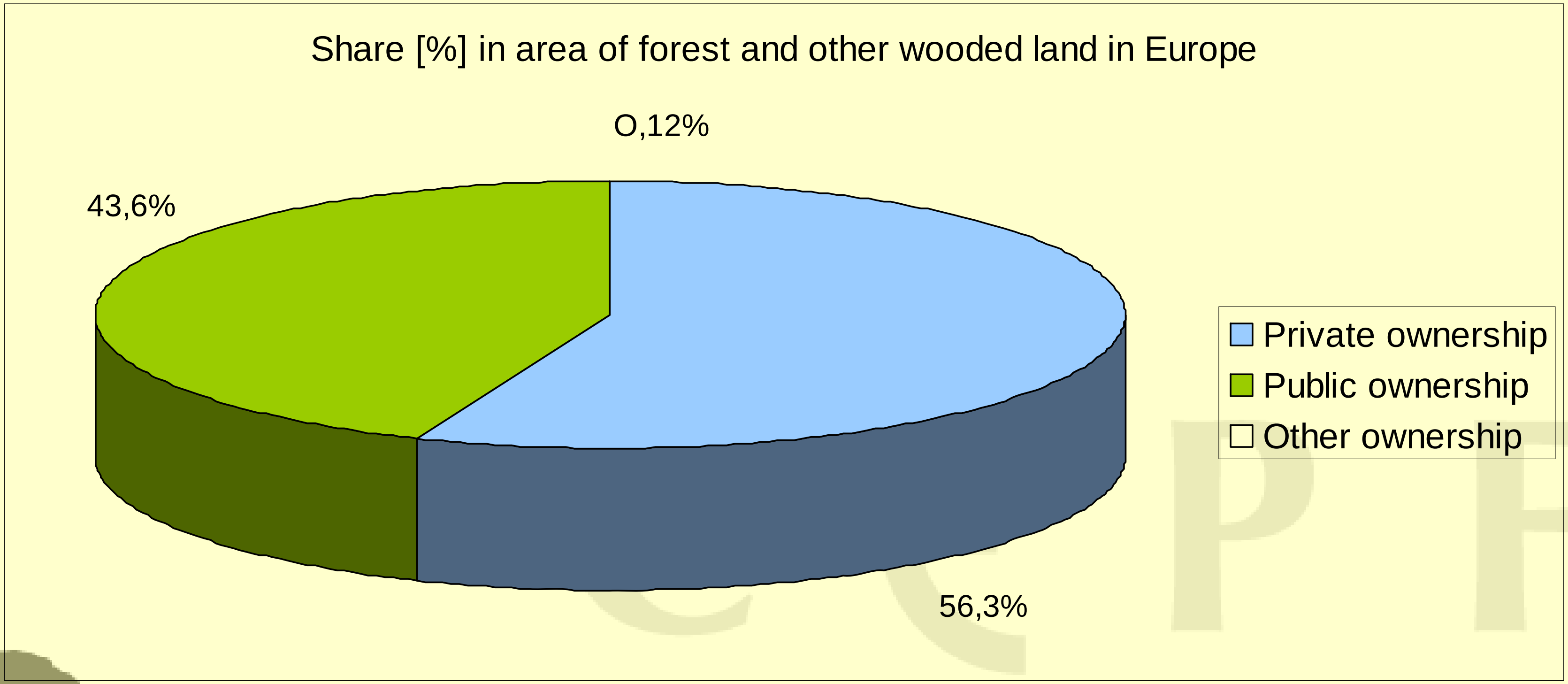
Importance of small properties?S

	Under 25 ha	Under 10 ha
Number	57 %	30 %
Area	10 %	3 %
Production	7 %	1,3 %
Potential	1 – 3 ?	0,5 ?

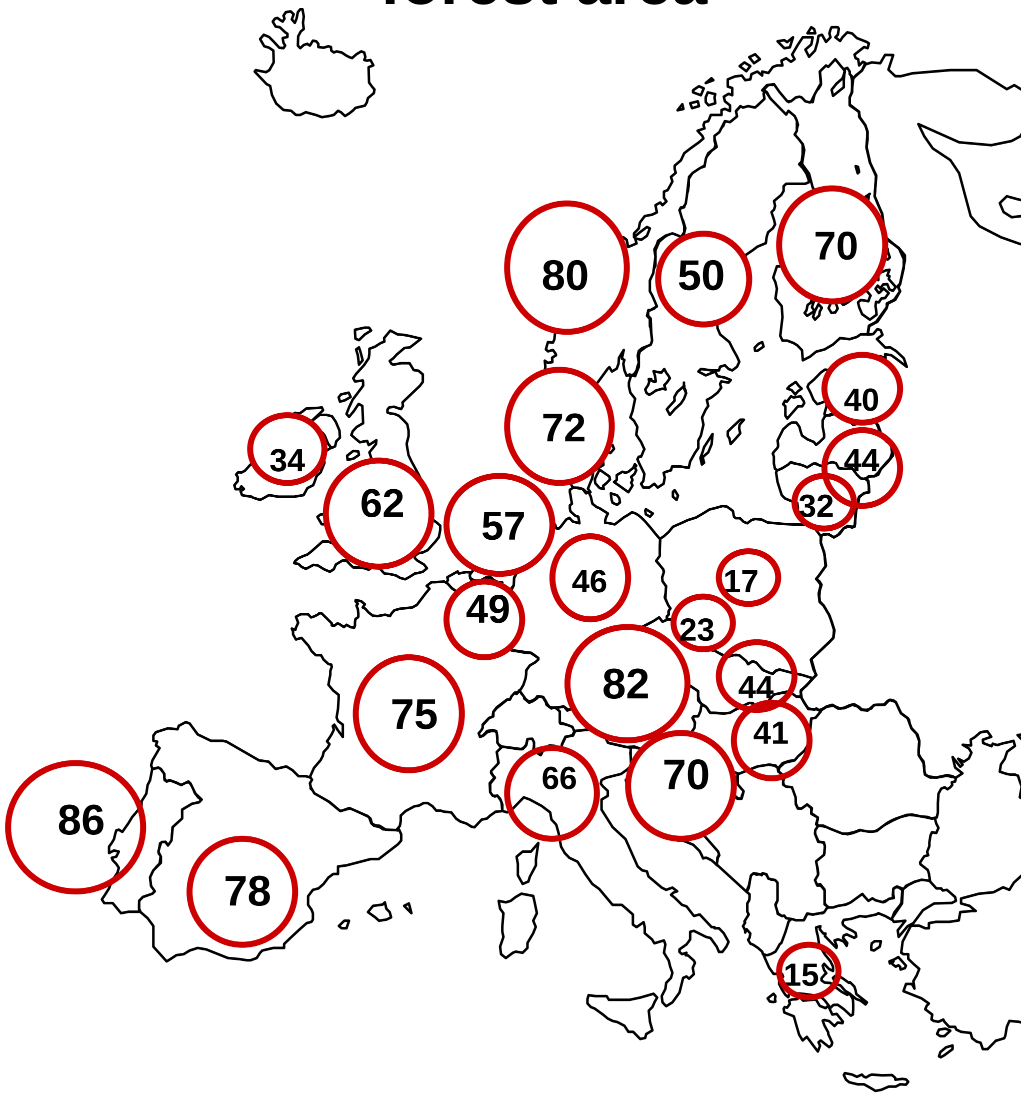
Private forest owners inquiry UNECE – FAO – MCPFE – CEPF

- Private forest
  - Family forest
  - Company forest
  - Community forest
- Public forest
  - State forest
  - Regional state forest
  - Municipality forest
  - Community forest

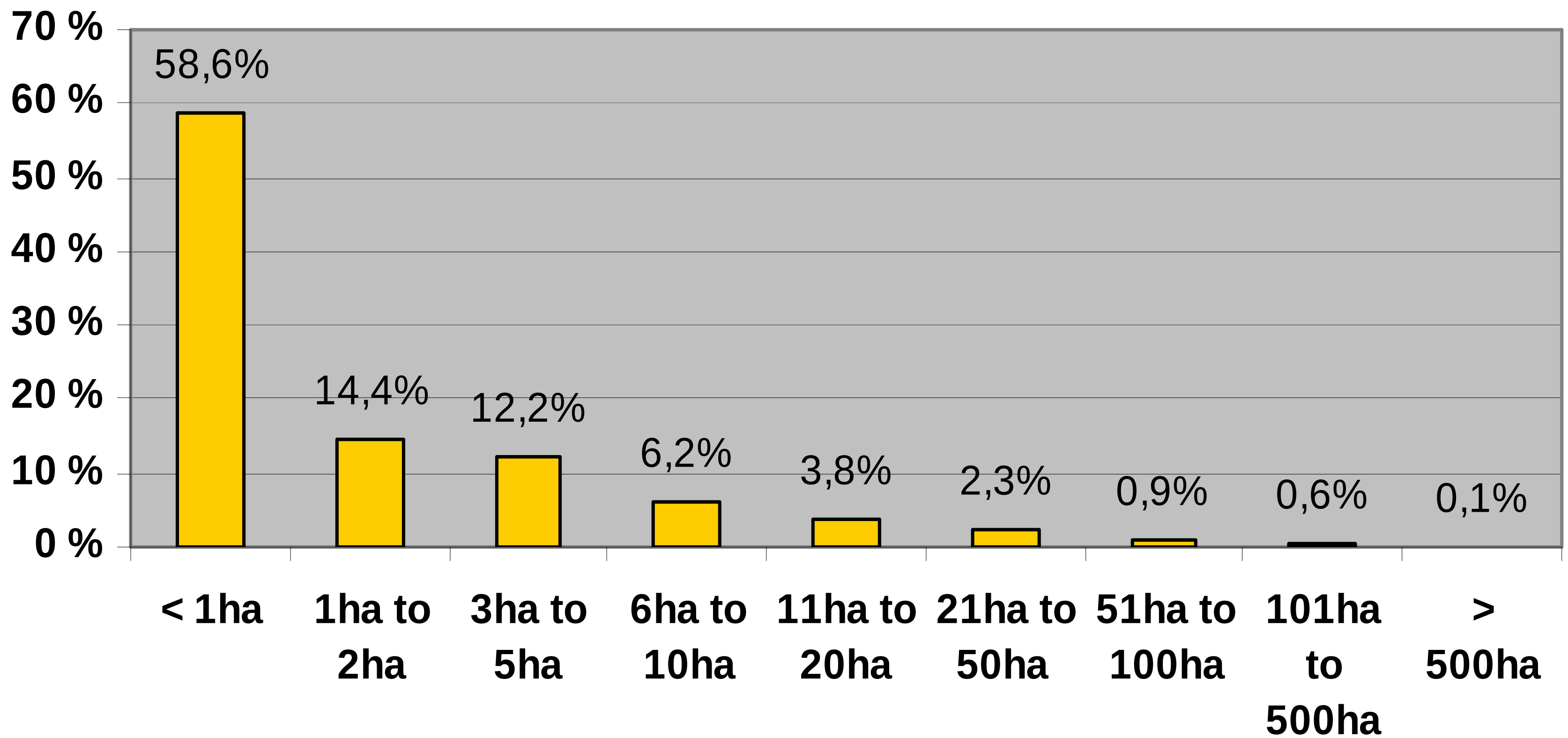
Private – public ownership



Family Forest Ownership, percent of total forest area

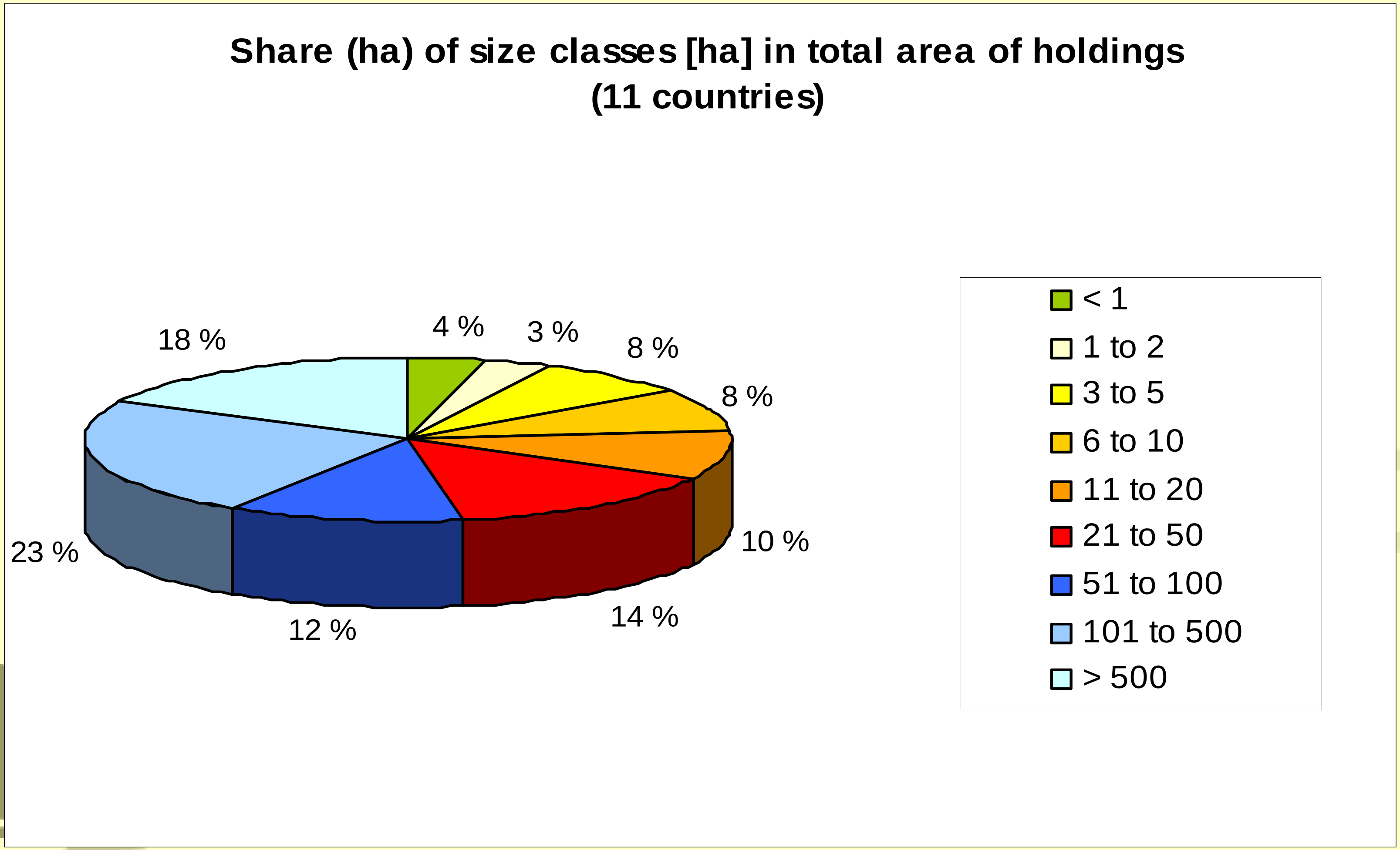


Many small owners

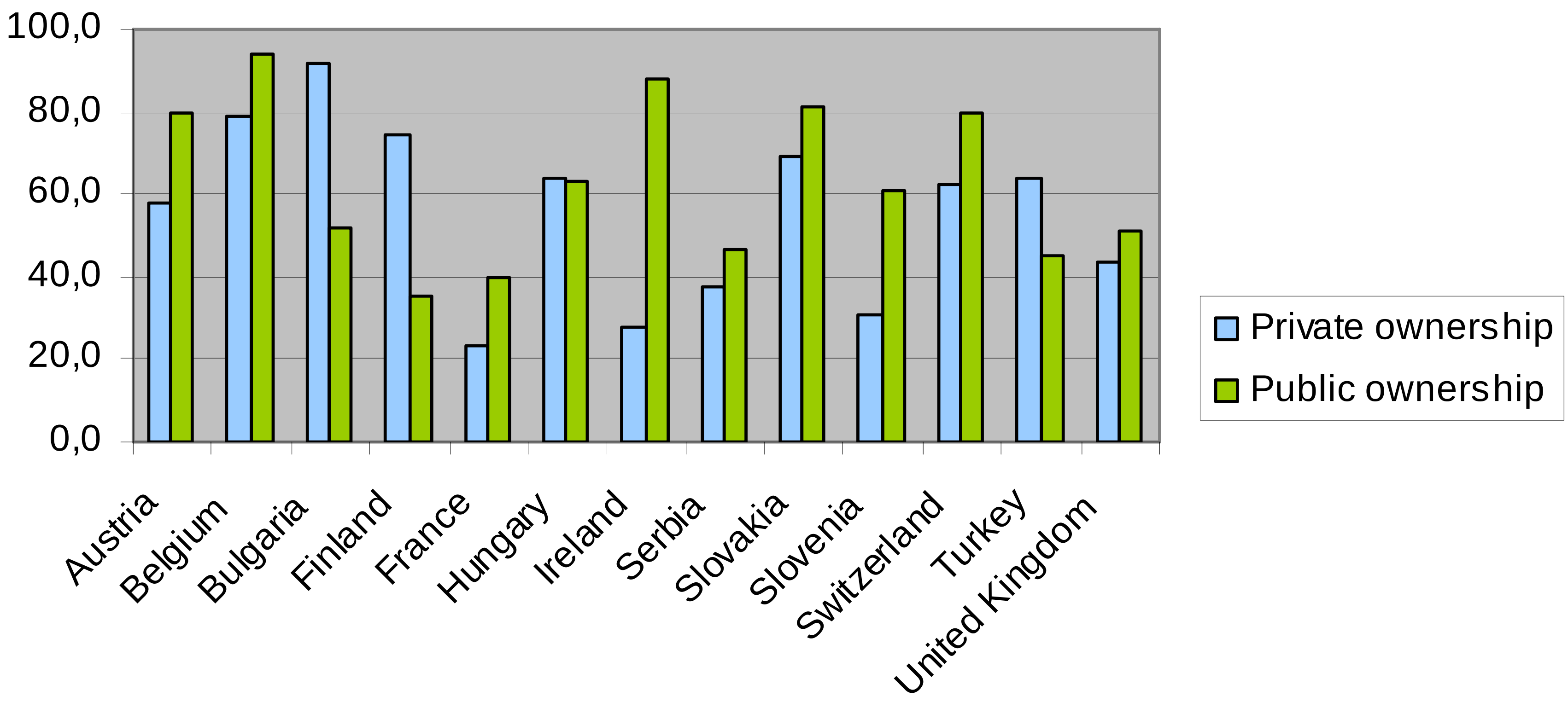


Total number of holdings [%] according to size classes

Small: owners-area-volume



Utilization



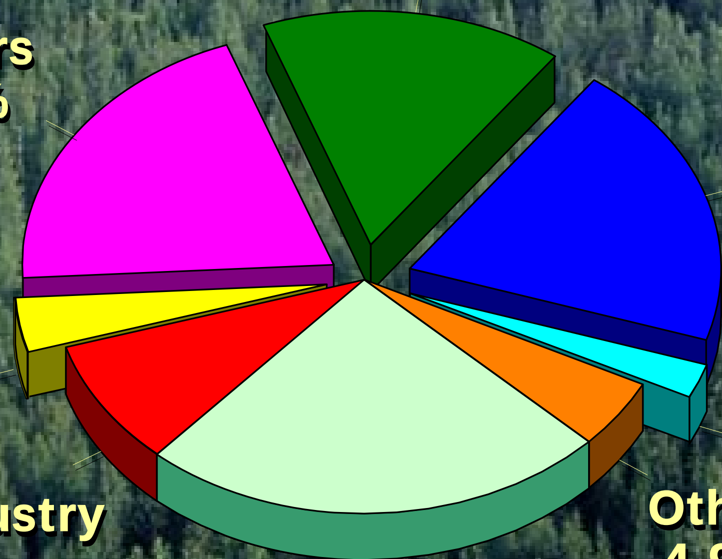
Demographic factors

- Age – average 50-60
- Urbanised forest owners
- Non-farmers – employees
  - Pensioners
- 20-40 % females

Who Owns Finnish Forests?

Share of Forest Area, %

Private Families 62 % *



* 2007-
Private families 60 %
State 26 %

Source: Finnish Forest Research Institute

Observations

- Fragmentation – small holdings
- Knowledge, infrastructure, management
- Local cooperation – forest owners organisations – forest owners' cooperatives – service units
- Restitution programmes – motivation
- Capacity building – informed decisions
  - Private – public cooperation
- Sustainability – mobilisation of renewable resources

Forestry in Europe

	EU 25
Forest area, million ha	**147**
Annual cut, million m^3	**377** (~ 75% softwood)
Family forestry (%)	**65**

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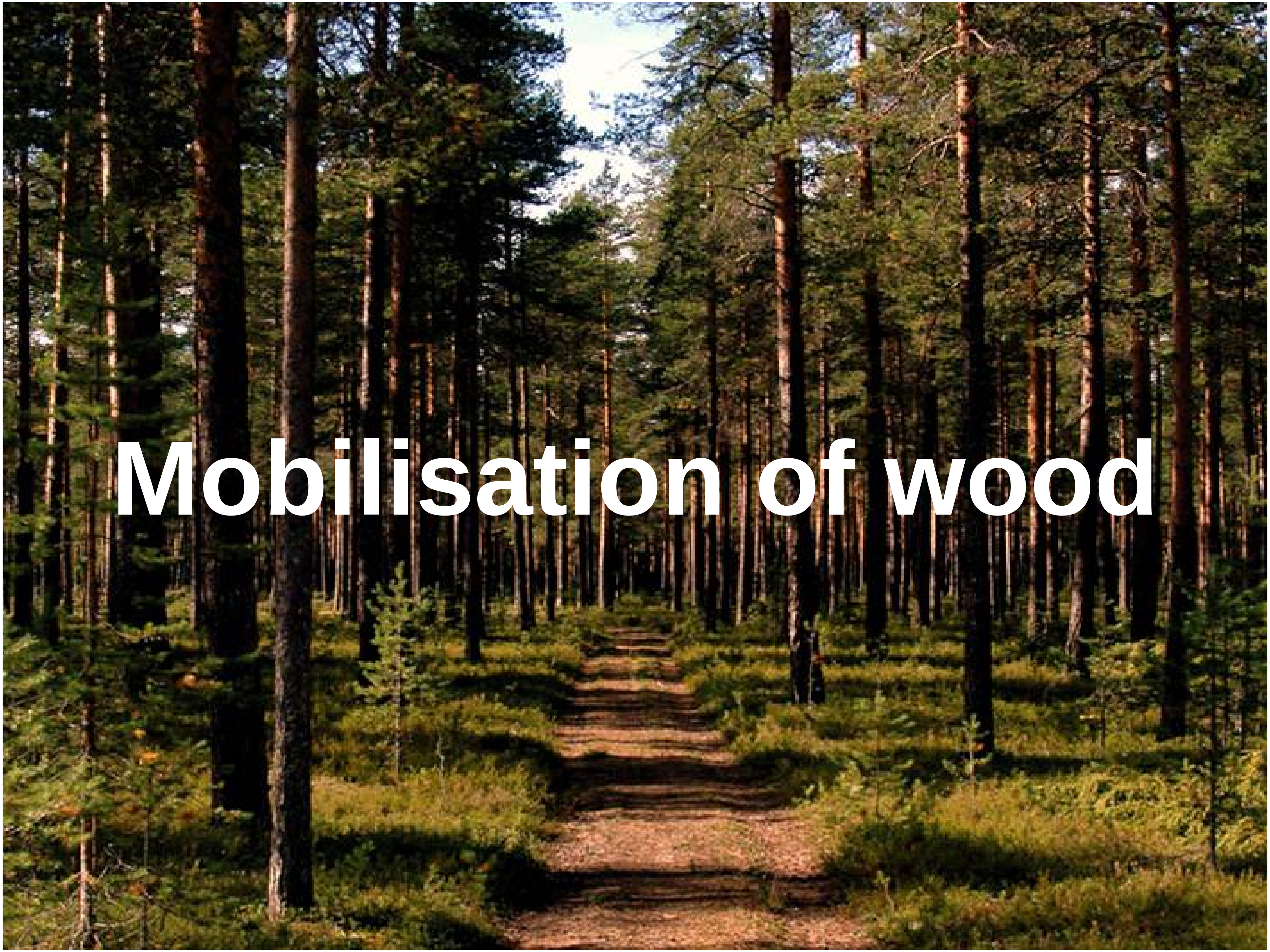
Mobilisation of wood



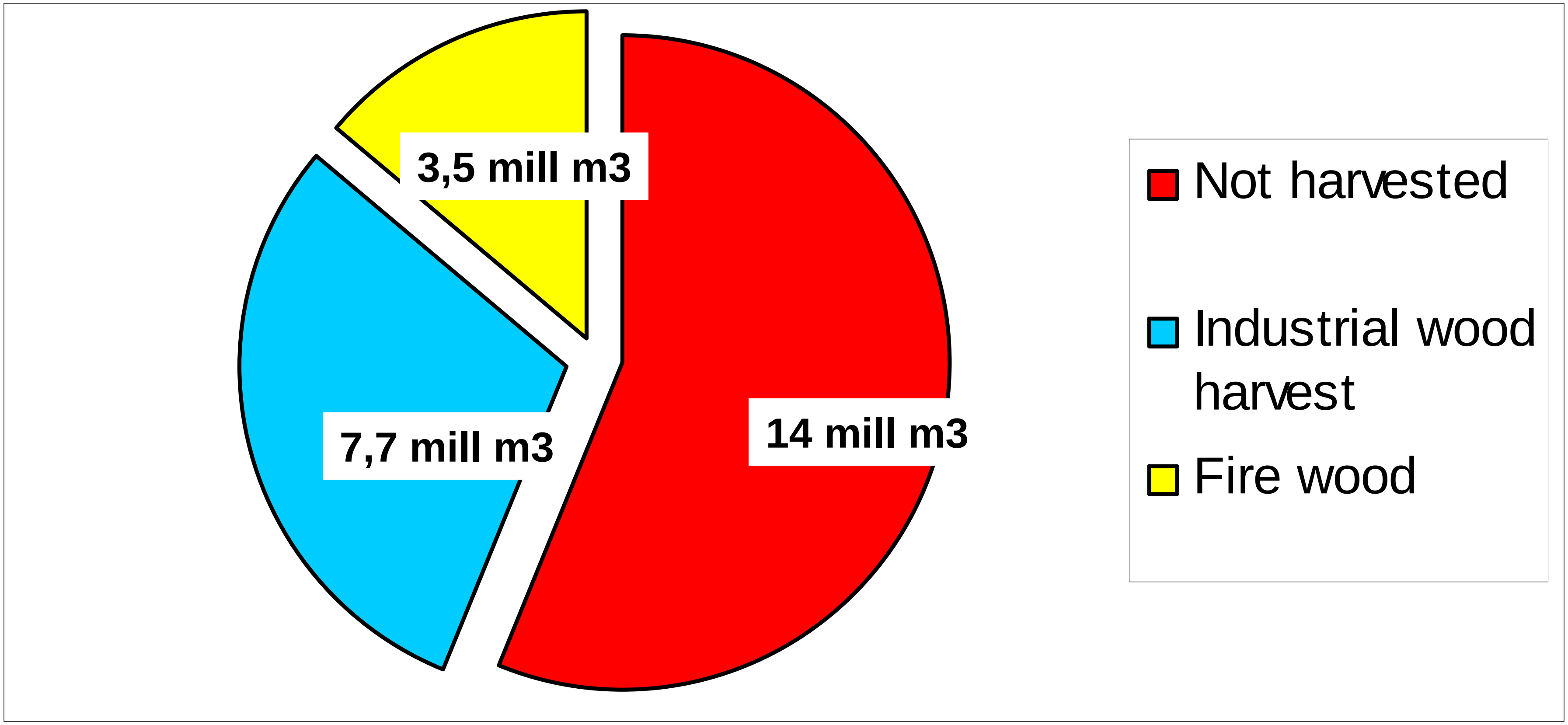
European potential

The Economic and Social Committee estimates:

- **Annual increment 560 mill m3**
- **Fellings 350 mill m3**
- **10% protected or outside commercial exploitation**
- **Estimation**
  - ⇨ **30 mill m3 from low grade timber (thinnings)**
  - ⇨ **70 mill m3 from forest residues**

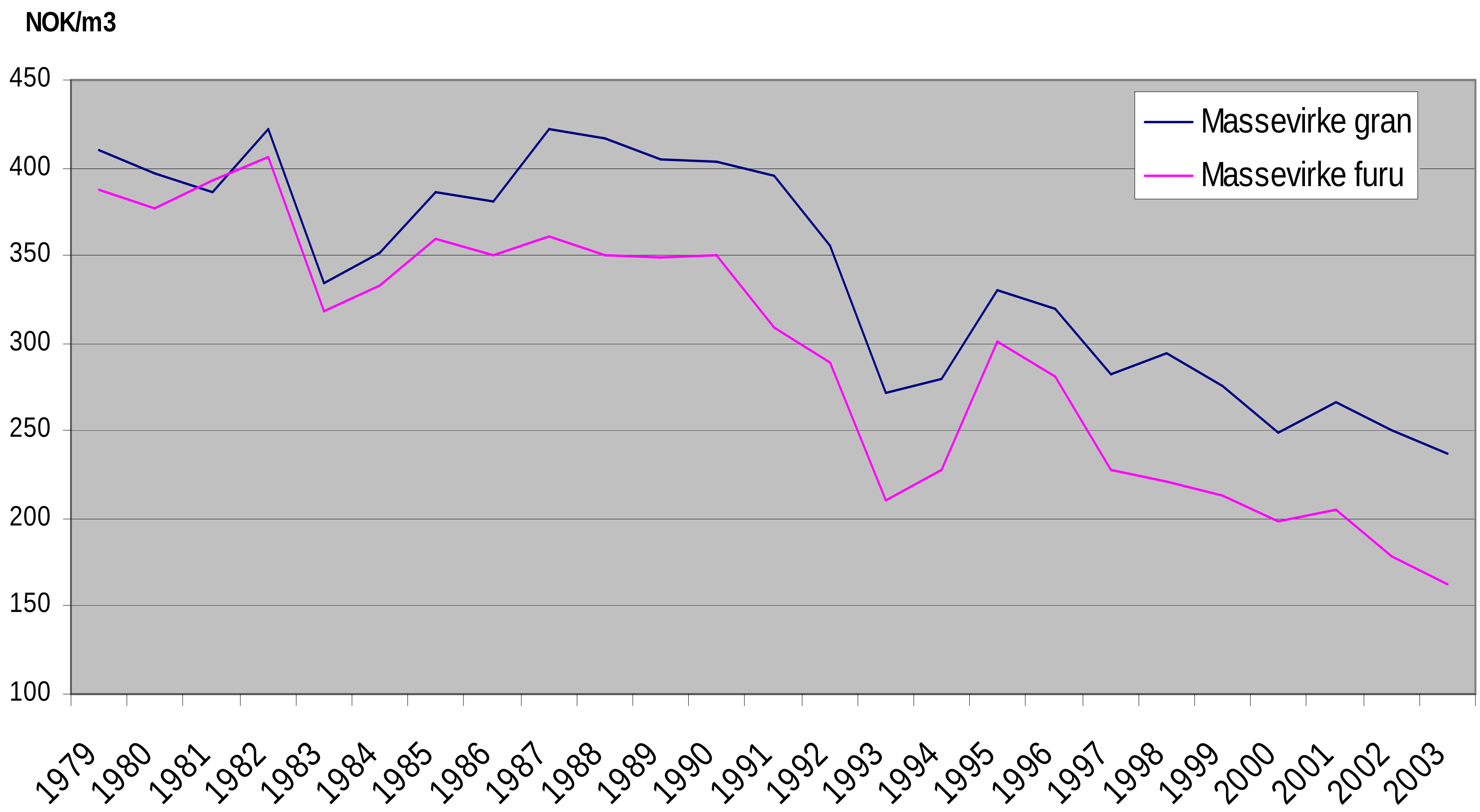
- **Total potential 100 mill m3**

Increment and cutting Norway 2005

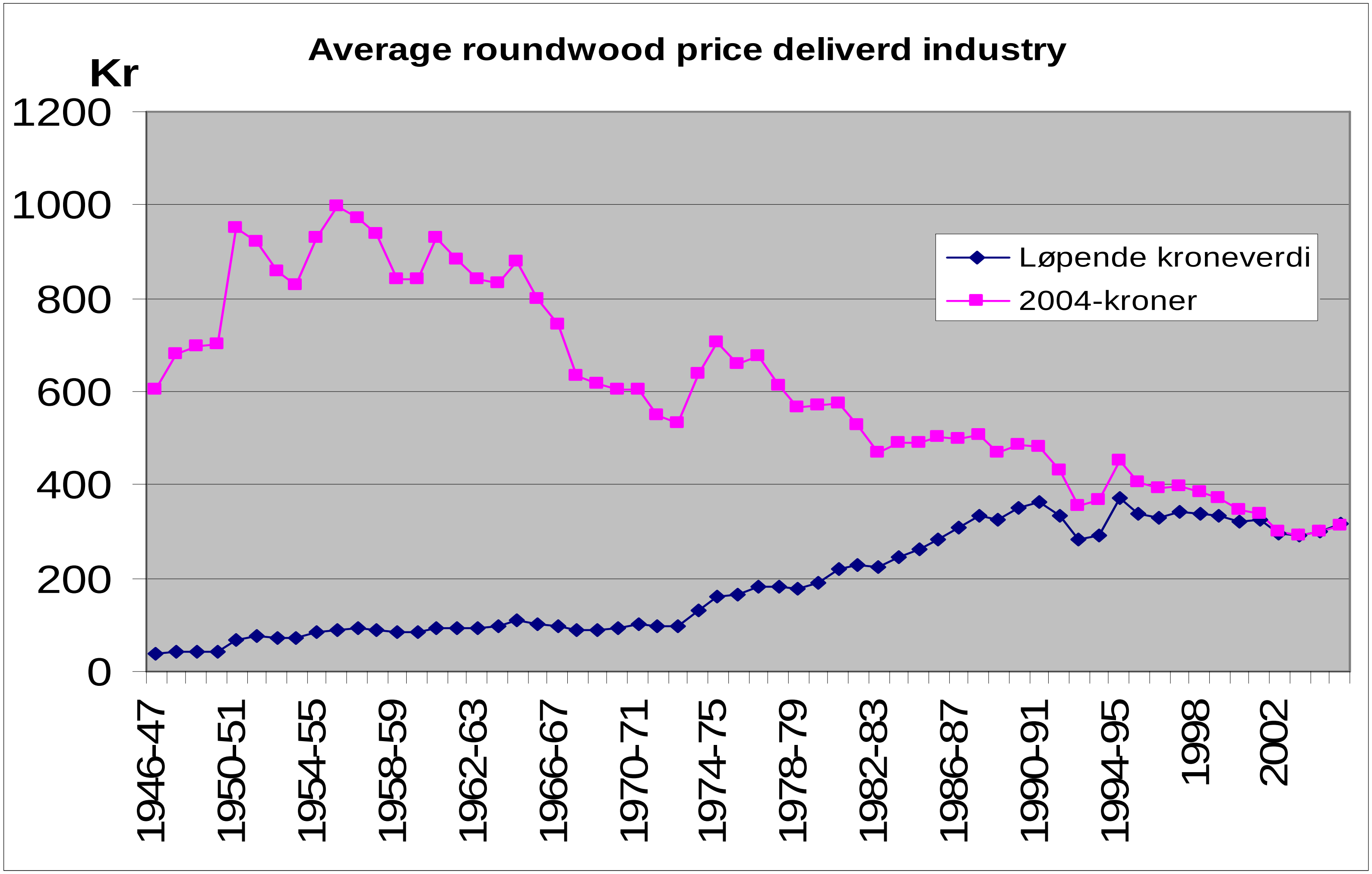


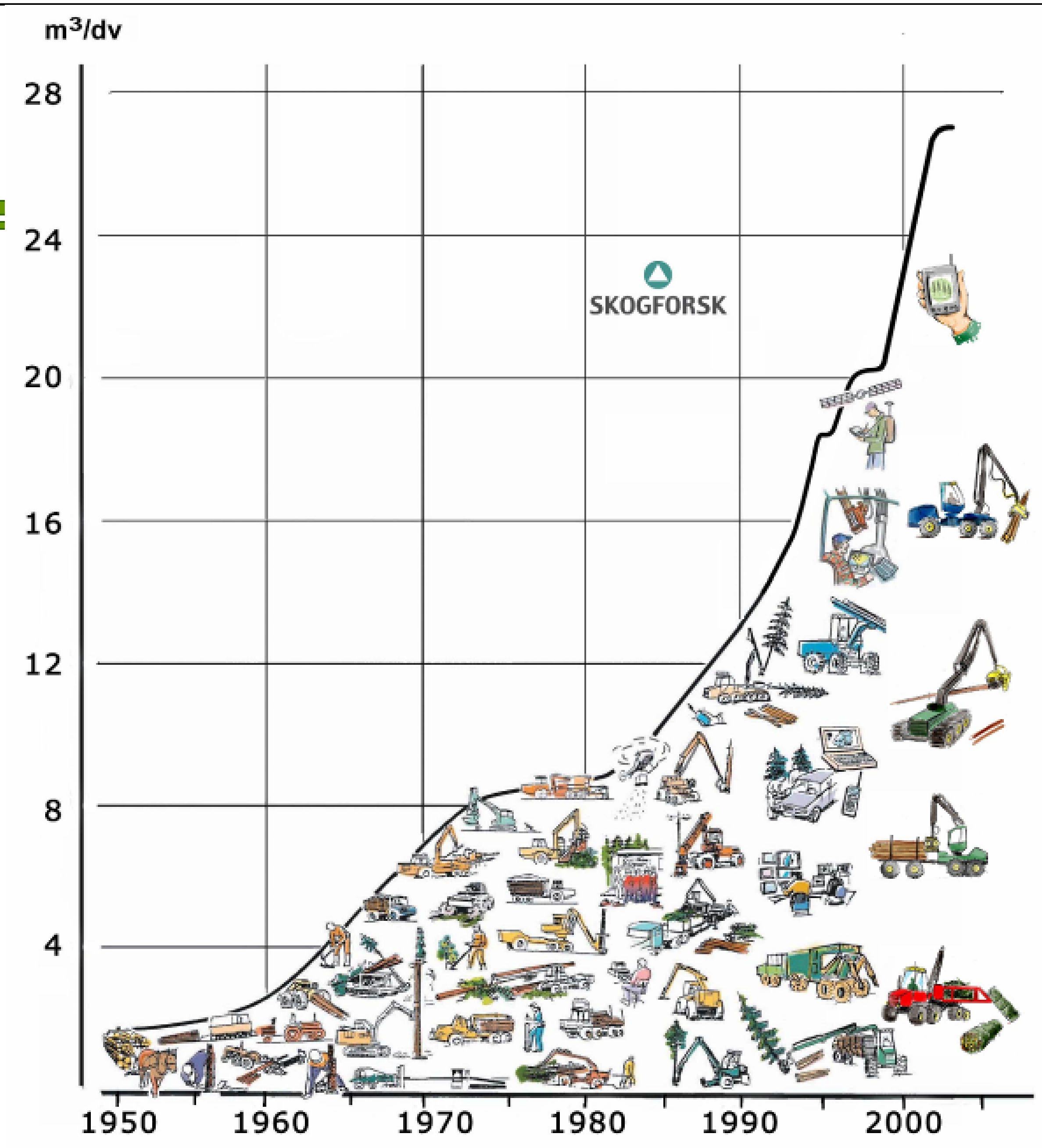
Total increment: 25,5 mill m3

Price pulpwood in Norway 1979 – 2003 (2002 price level - index)



Roundwood price 1946-2005 Norway




m3/dv
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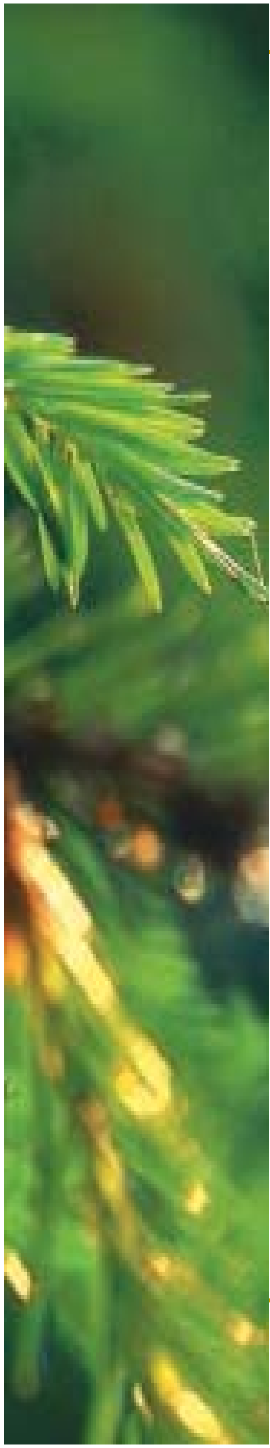
24
20
16
12
8
4
SKOGFORSK
1950
1960
1970
1980
1990
2000


Husqvarna
Husqvarna


Husqvarna

The future is here



New Owner Profile

- 35 percent non residents (urban owners)
- 35 percent female owners
- Only 20 percent in combined enterprises (with agriculture)
- Less dependence of forestry income
- Strongly attached to their forest
- Keeping up responsibility
- and informed decision making

REMEMBER?

In the beginning of the 19th century, Europe had a forest crisis Alpirsbach, Black Forest, Germany, 1839

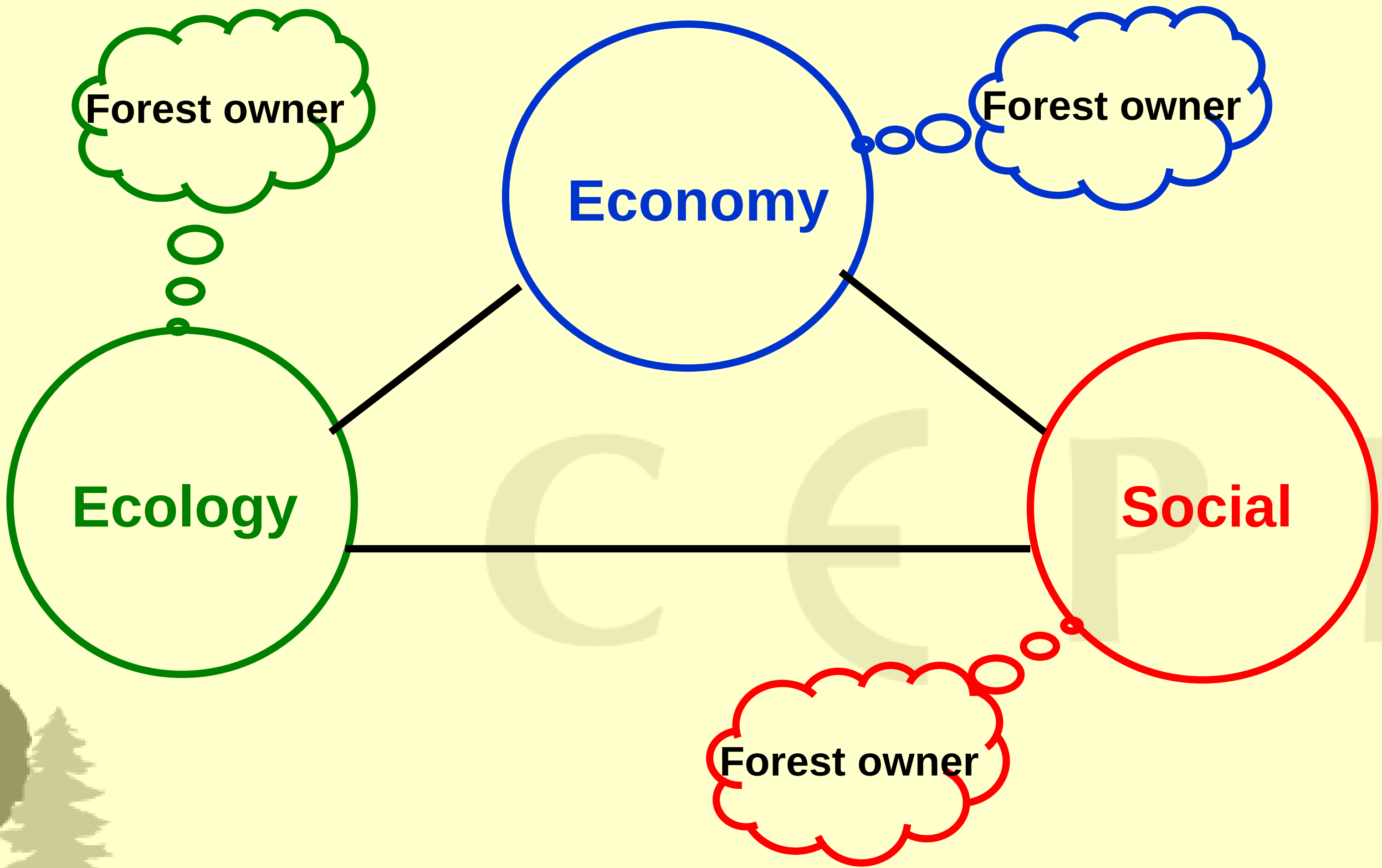
The global perspective

- The legacy of Rio – Agenda 21 (IPF, CBD, CCD, FCCC)
- IPF, IFF, UNFF – from an ad hoc panel to a permanent forum
- The role of Major groups
  Women, Children and Youth,
  Indigenous People, Non-Governmental Organisations,
  Local Authorities, Workers and Trade Unions,
  Business and Industry, Scientific and Technological Communities,
  Farmers
  and their Multi-Stakeholder Dialogue
- CEPF – the focal point for the Major group “Small forest landowners”
- FAO – the technical expert

The pan-European perspective

- MCPFE – 1990 until today and beyond
- Sincere dialogue and participation towards a common objective
- Voluntary commitment with direct impact on the ground (PEFC as most prominent example)
- UNECE – Timber Committee (e.g. trade and timber market, bio-energy, EFSOS)

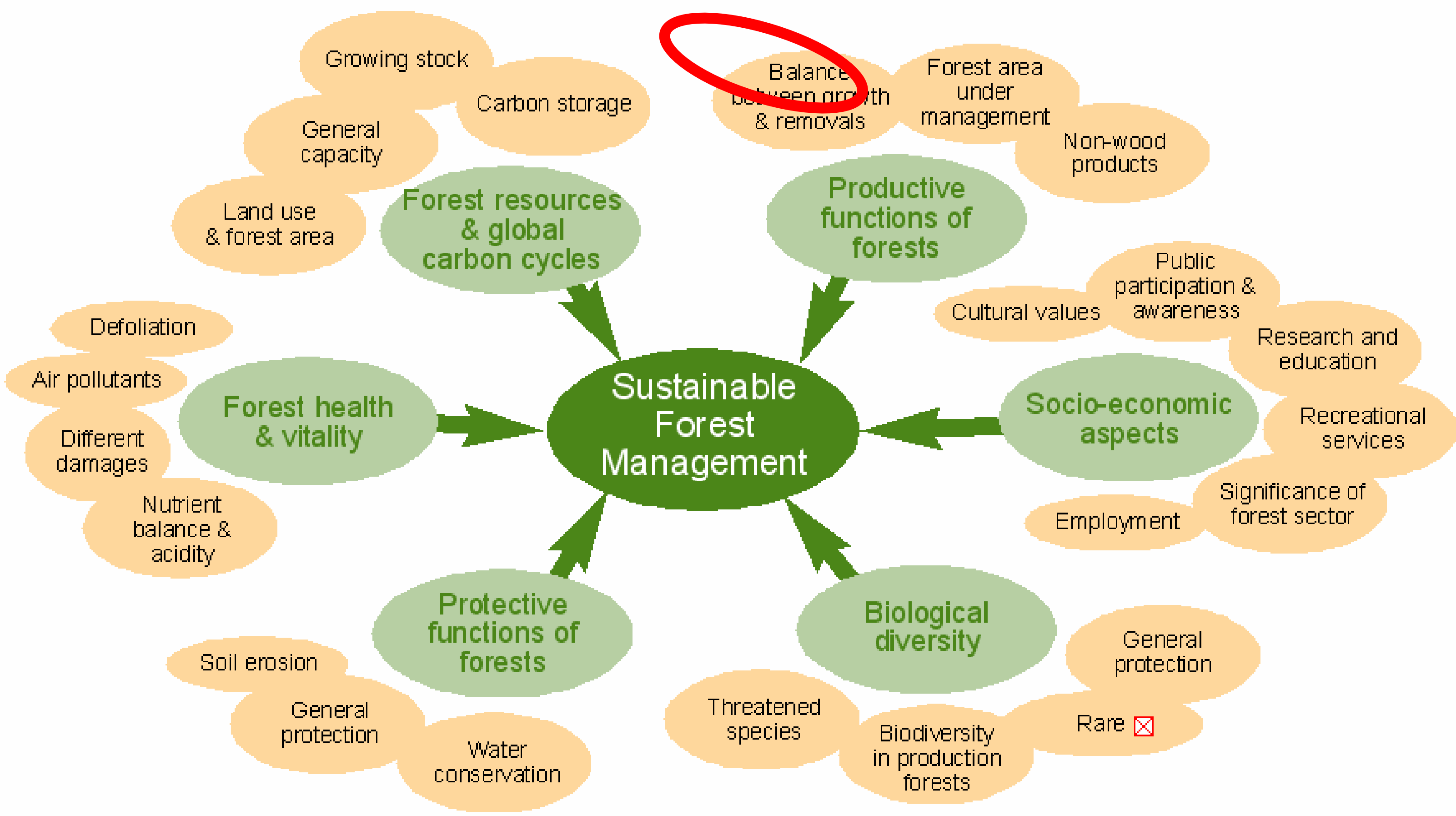
Sustainable development



Sustainable forest management

Source: Ministerial Conference on the Protection of Forests in Europe

Sustainable forest management



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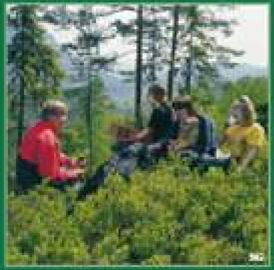
LEVENDE SKOG
BRANSJEPROSJEKTET FOR SKOG OG MILJØ

Standarder for et bærekraftig norsk skogbruk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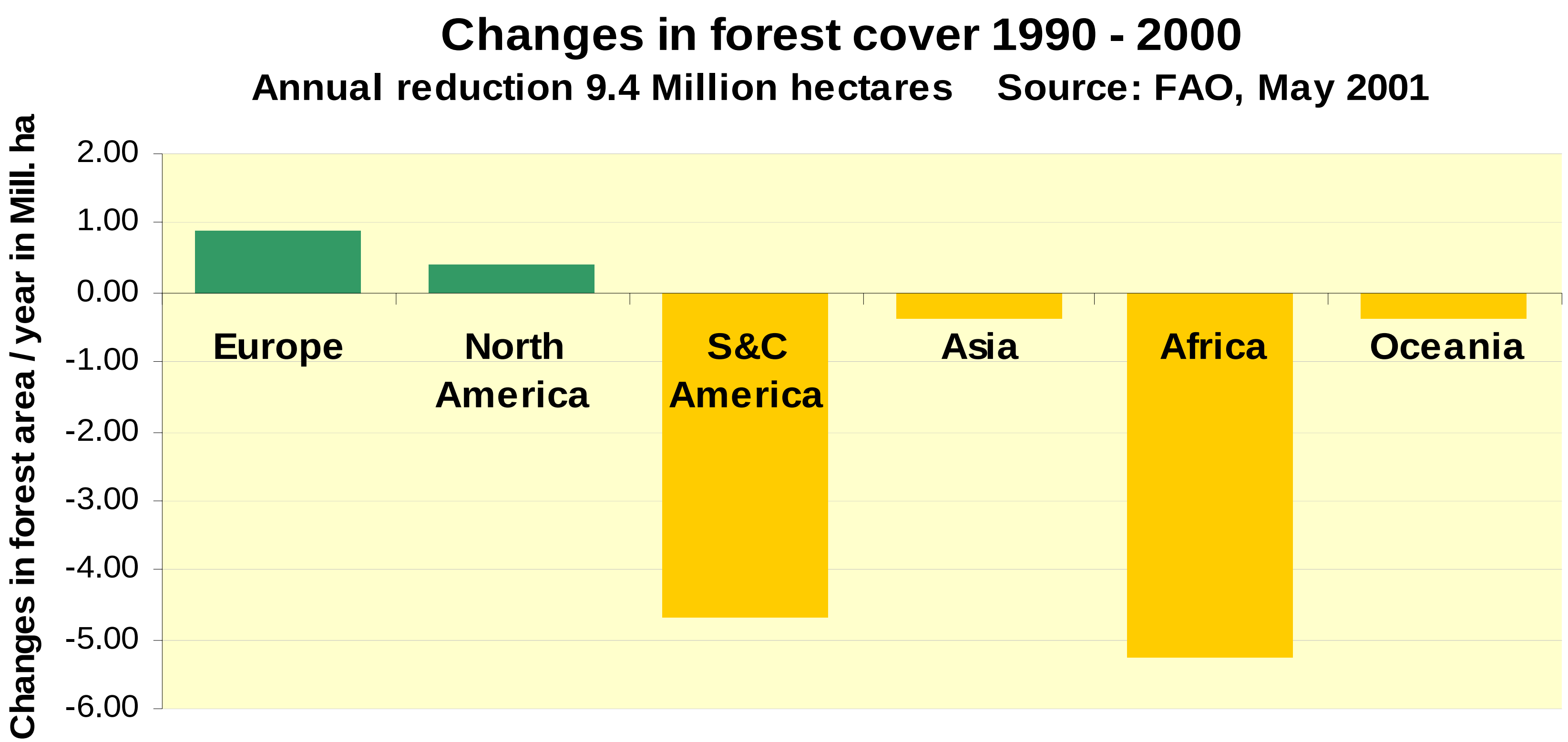
BRANSJEPROSJEKTET FOR SKOG OG MILJØ

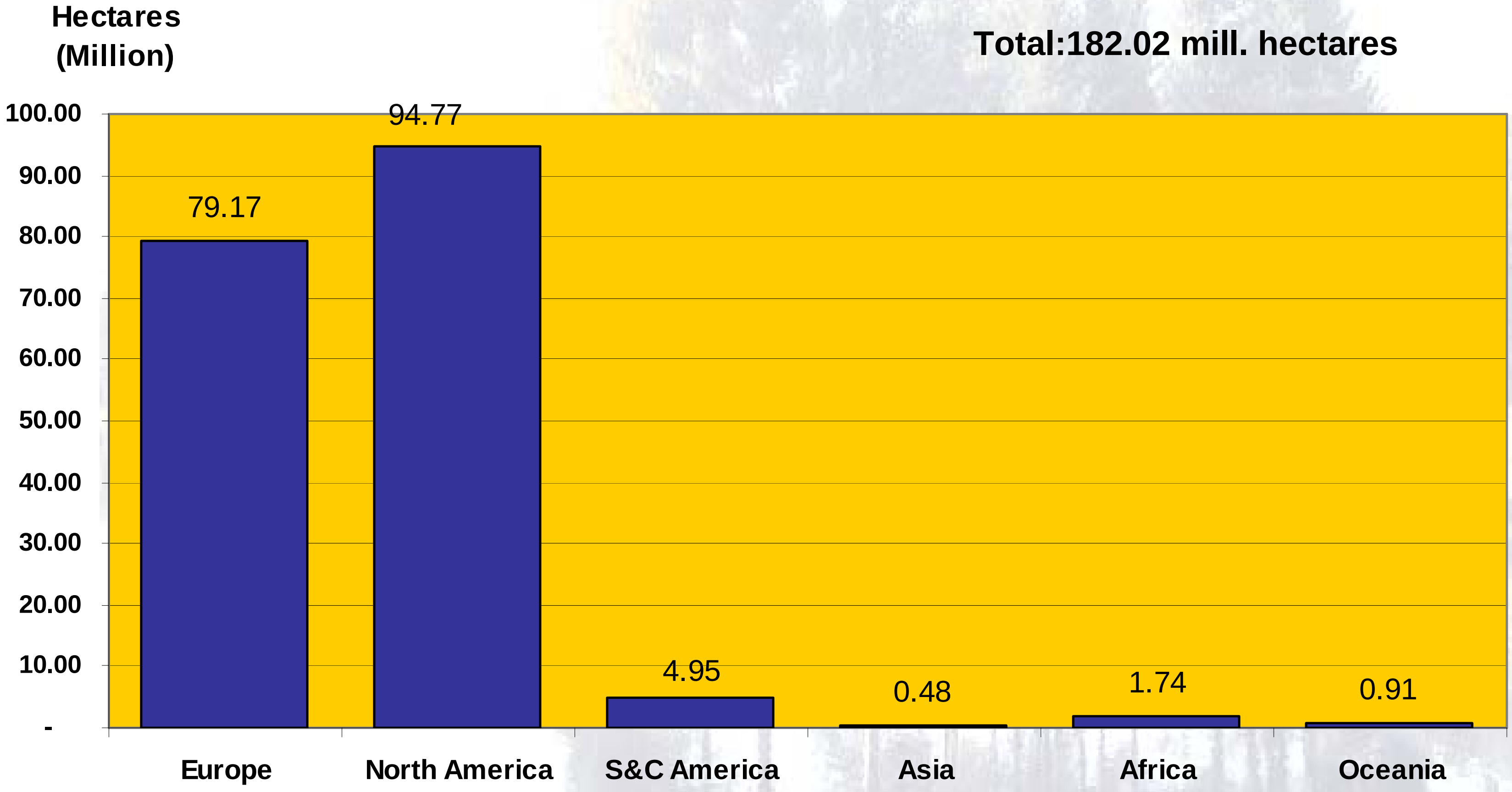
Sustainable certified

- Sustainable management commitment
- Living Forest management
- PEFC documentation and communication
- The whole forest area PEFC certified
- Mostly group certification
- Commitment throughout forestry and organisations

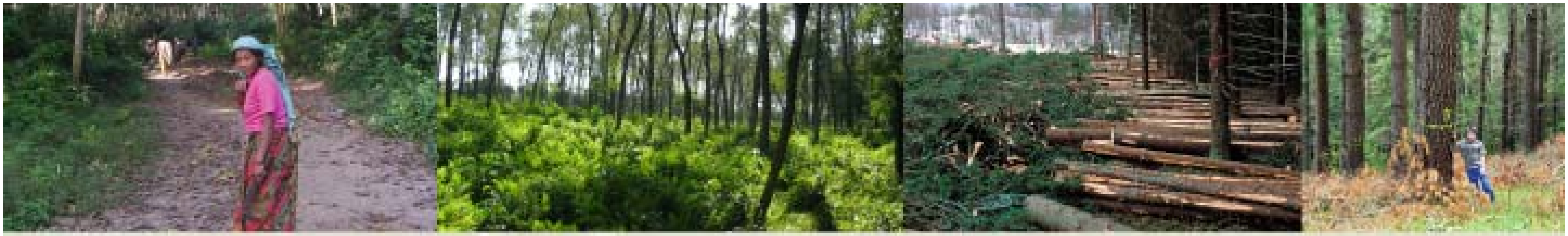
Current Situation



Certified forests in the world by region



Source PEFC, ATFS, CSA, SFI, FSC – May 2004



Cornerstones for implementing SFM

Sustainable Forest Management through

- Long-term political commitment from governments and global and regional forest policy processes
- Respect for property rights and long-term stewardship
- Economic viability
- Investments at local and regional level
- Rural development
- Cross-sectoral partnerships
- Livelihood for local peoples
- Research

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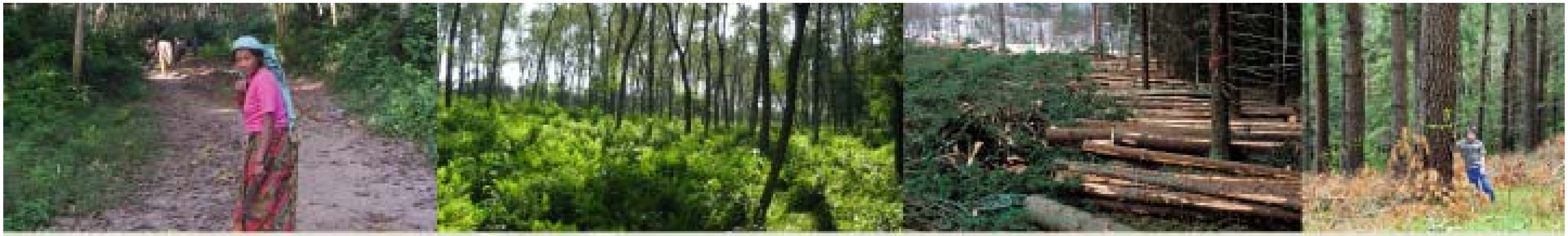

Family forest owners' values

- Diversity through individuality
- Generation bridging ownership and long-term stewardship
- Securing a dynamic approach to implementing

  →Economic

  →Ecologic

  →Social

  →Cultural

  values

Family forestry means

- well-being and sustainability for local communities
- multiple forest products and benefits to society
- accumulated forest-related know-how
- sustainable forest management
- families deriving income from their forests
- long-term perspective
- small-scale management
- variety of ownership goals
- multiple-use forest management
- strong attachment to their forest through several generations

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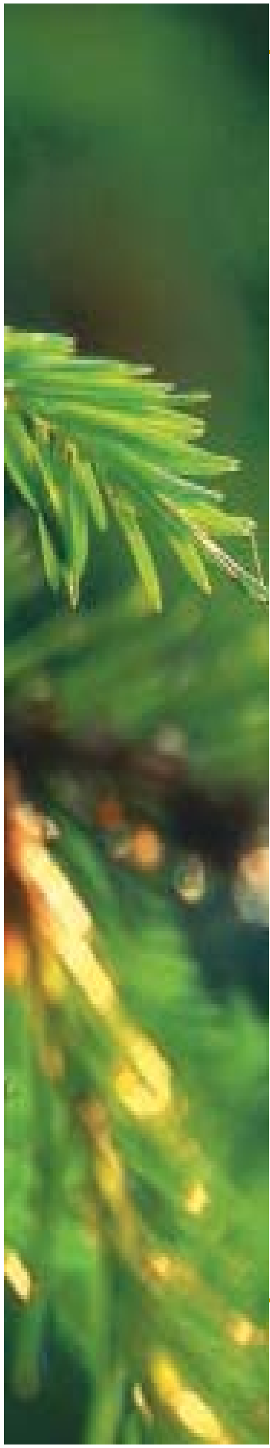
SKOGBRUKSPLAN
SKOGBRUKSPLAN

Small owners making only small mistakes

- Small owners cannot make large mistakes
- The small owners will not all do the same mistakes
- Will doing nothing be a mistake
- Could small dispersed lots represent volume
- Could passive, small owners contribute significantly to the environment by set asides

What is the small problem?

- What they do, or what they do not do
- Economic, social or environmental
- Representing area, volume or number
- Being neighbours or wide spread
- A present or potential problem
- Perception or reality
- Problem for whom



Forest Owners Associations

Cooperative principles

▪Economic association

▪ **Democracy: One member one vote**

\- **Economic Responsibility to equity capital limit**

\- **Investment power**

\- **Profit sharing via wood price bonus, interest on equity capital and capital emissions**

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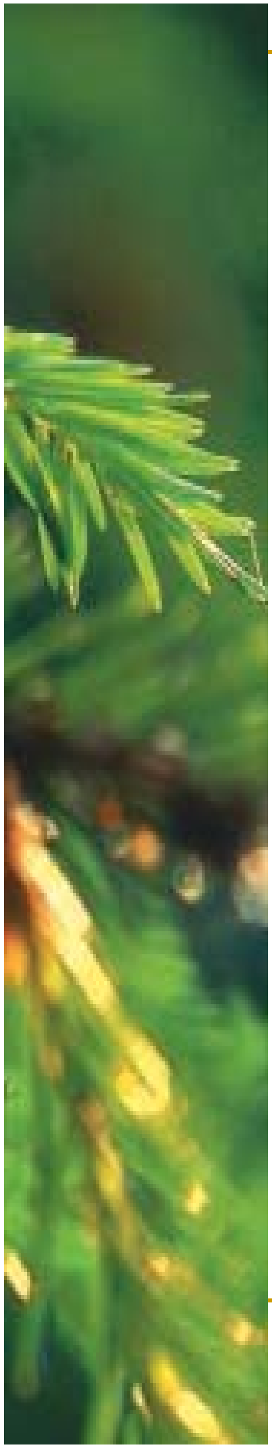

Why associations?

- **Benefit for member:**
- **Higher economic yield from property**

- **Benefit for society:**
- **Higher economic yield from forests**
- **Enabling sustainable forest management**

- **THROUGH:**

- **Mobilizing family forestry potential**
- **Avoiding structural drawbacks**
- **Effective use of resources**
- **Stronger part in timber market**
- **Better capacity building**
- **Increased lobbying strength**

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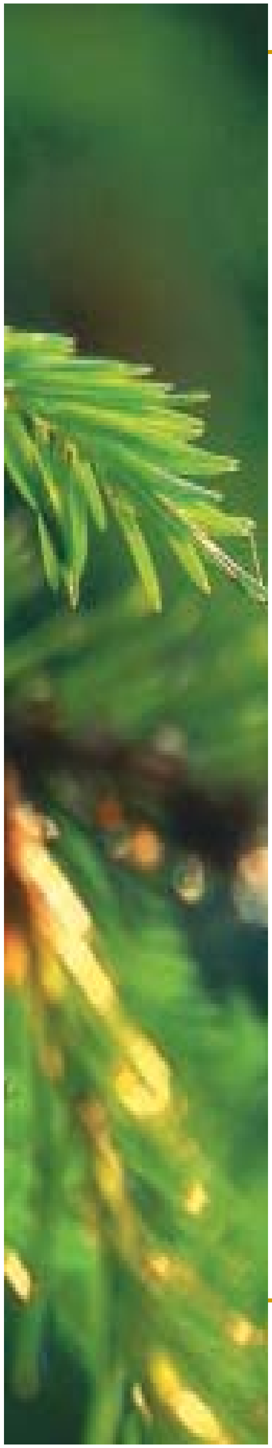
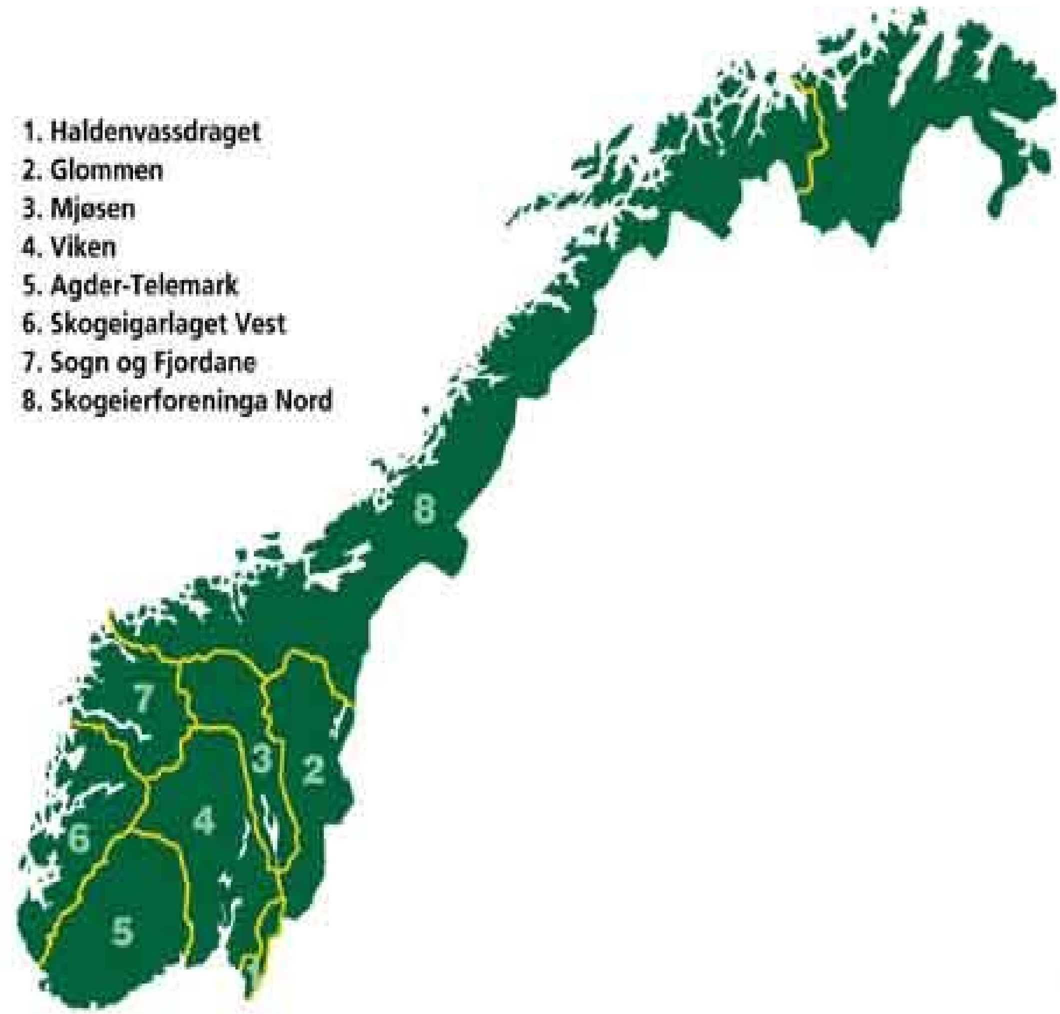


Activities of associations

- **Sales and purchases of roundwood**
- **Forestry services**
- **Training, extension, information**
- **Counseling and planning**
- **Influencing forest and industrial policies**
- **Industrial processing**

8 District Cooperatives

- 40 000 members / owners
- 50 % of forest owners taking part in forest owner co-operatives
- 86 % market share
- Combined political and economic organisations
- Marketing wood, providing service and counselling
- Business development
- Industry investments




100 years in 2003
glommen
skogeierforening

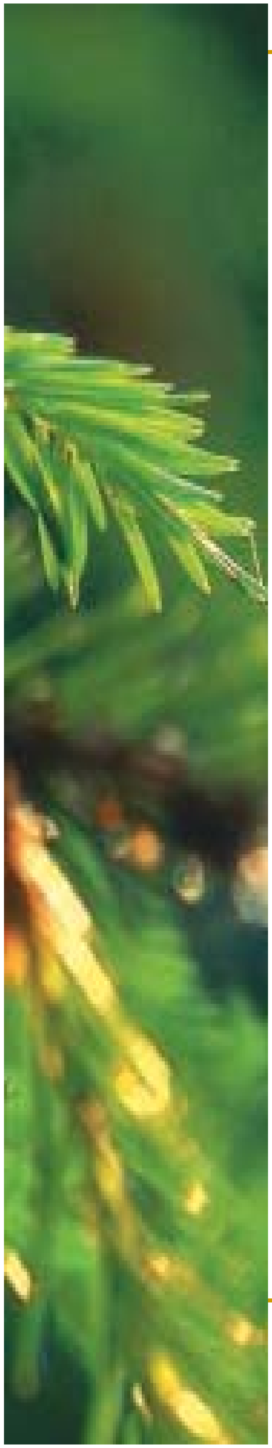

AKTIVT
SKOGBRUK

Cooperatives provide solutions

- Effective wood mobilisation
- Marketing channel for members' wood
- Raw material use optimisation
- Council and forest management services for forest owners
- Promotion of sustainable forestry
- Wealth creation from renewable source
- Social networks

Cooperatives overview

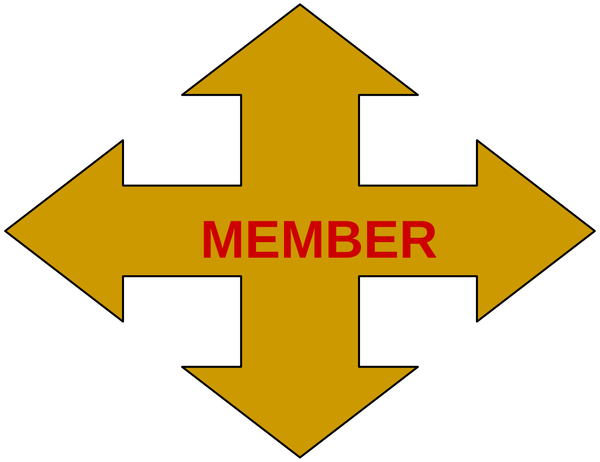
- Austria
- Denmark
- Estonia
- Finland
- France
- Germany
- Greece
- Hungary
- Ireland
- Latvia
- Lithuania
- Norway
- Sweden
- Switzerland



The roles of membership

- Forest Owner

Part Owner



Customer

Business Partner

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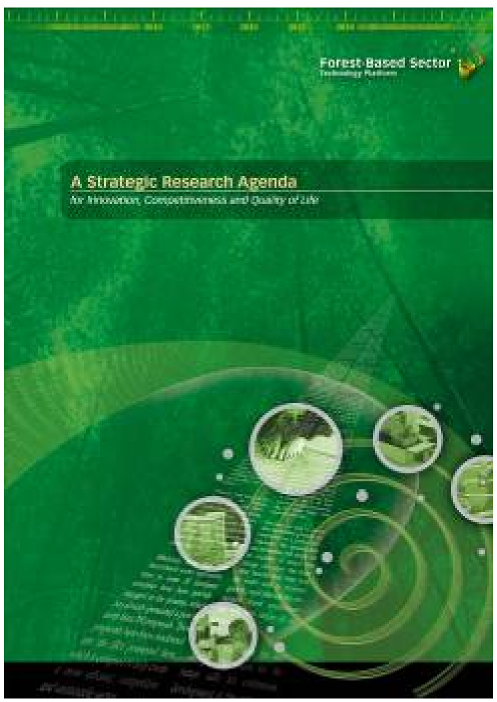
Research and development



A Strategic Research Agenda for Innovation, Competitiveness and Quality of Life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